GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:132
ANSWERED ON:04.03.2016
Income Tax Defaulters
Chowdhury Shri Adhir Ranjan;Rao Shri Rayapati Sambasiva

Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to make public the names of individuals/corporates who have defaulted in paying income tax and if so, the details of such top twenty entities during the last three years;
(b) whether Government hasany effective mechanism to deal with Income Tax defaulters and if so, the details thereof along with the action taken thereon; and
(c) whether the Government proposes to take action against those who have failed to file IT returns; if so, the details thereof and if not, the reasons therefor?

Answer

(a) to (c): A Statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (c) of Lok Sabha Starred Question No. *132 for answer on 4th March 2016

(a) The Income Tax Department does not ordinarily publish the names of taxpayers against whom income-tax arrears are outstanding. However, subject to the specified conditions, the names of such taxpayers who have defaulted in paying outstanding income-tax and who have no assets or inadequate assets and/or who are not traceable are published in public domain. List of top 20 entities whose names have been published in public domain during the last three years is annexed as Annexure.

(b) Income Tax Department has an effective mechanism to effect recovery in cases of outstanding arrear demand. In addition to the measures prescribed in the Income-tax Act, 1961 (the Act) for recovery of taxes, including attachment of bank accounts, recovery from debtors, attachment and sale of immovable properties, etc., the Central Board of Direct Taxes (CBDT) has also issued detailed guidelines to field formations relating to recovery of outstanding demand, under different situations. Strategy for recovery is also prescribed in the Central Action Plan issued in the beginning of each financial year and specific targets are set for field units for making recovery from arrears of taxes. There is also a mechanism for periodic review of high-demand cases by senior officers of the Income Tax Department. Cases involving arrears exceeding Rs.25 crore are monitored by a dedicated Directorate of Recovery under CBDT.
(c) Yes, Madam. The Government, in appropriate cases, takes suitable action against those who fail to file Income Tax Returns. In case of failure to file return of income, the Assessing Officer issues notice under section 142(1) of the Act directing the taxpayer concerned to furnish the return by the date stipulated therein. In cases where income has escaped assessment, the Assessing Officer may issue notice under section 148 of the Act for bringing such income to tax. A penalty of Rs.5,000/- under section 271F of the Act is also levied if the return of income is not filed till the end of the assessment year. Further, prosecution under section 276CC of the Act is launched in suitable cases against such persons who wilfully fail to file return of income in due time, which may lead to a sentence of rigorous imprisonment up to seven years.